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**TITLE 345 INDIANA STATE BOARD OF ANIMAL HEALTH**

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**Economic Impact Statement**

LSA Document #12-491

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****1. Description of the Rule**

The proposed rule amends Indiana State Board of Animal Health (BOAH) rules governing cervid health programs to conform to the new United States Department of Agriculture regulation governing chronic wasting disease (CWD) herd certification programs and interstate movement of cervids in 9 CFR Part 55, 9 CFR Part 81, and 77 Fed. Reg. 35565.

The rule amends [345 IAC 1-3-29](#) to require certificates of veterinary inspection for all cervids moving into the state. The rule amends [345 IAC 1-3-30](#) to require animals moving into the state to come from states and herds participating in a CWD certification program that has been approved by USDA and prohibit certain animals from entering the state.

Amends [345 IAC 2-7-1](#) through [345 IAC 2-7-5.5](#) to conform definitions to federal standards, authorize a certified CWD sampler program, amend the CWD monitored program, and amend the CWD certified program to meet federal standards.

Amends [345 IAC 2-7-6](#) to authorize certain compliance actions for rule violations. Amends [345 IAC 2.5-5-3](#) to allow movement of cervids to a premises for tuberculosis testing.

Amends [345 IAC 7-5-28](#) to remove the requirement of a brucellosis test prior to exhibiting cervids.

Makes other changes in the laws governing disease control in cervids.

**2. Description of Affected Industry**

The rule impacts any person keeping a cervid animal. The BOAH records indicate 396 cervid herds registered with the BOAH.

**3. Reporting, Record Keeping, and Other Administrative Costs**

The proposed changes will not require additional record keeping or other administrative costs beyond the current requirements. There are no reporting requirements in this rule. However, the rule does clarify that the current reporting requirement for escaped animals must be complied with within one business day.

**4. Estimated Total Annual Economic Impact on Small Businesses**

The BOAH currently operates cervid health programs that already require certain actions on the part of cervid owners that impose costs. The BOAH does not anticipate significant additional costs to small businesses as a result of adopting the amended standards when compared to the current standards. Most of the changes in the proposed rule affect participants in the CWD certification program. The CWD certification program is a voluntary program. The proposed rule does not impose requirements above the federal standards.

The proposed rule adds a requirement for animals moved into the state for slaughter to be accompanied by a certificate of veterinary inspection and to be identified. These requirements will impose a cost on persons moving cervid animals into the state for slaughter. [345 IAC 1-3-39](#).

The cost of obtaining a certificate of veterinary inspection will vary depending on the fee charged by the veterinarian contracted to perform the task. Certificates of veterinary inspection for animals moved into the state are written at the point of origin, outside Indiana. The buyer and seller of animals will negotiate who pays the fee. The BOAH estimates the cost to be between \$50 and \$125 per certificate. One certificate is needed per shipment. In 2011, there were five shipments of cervids moved into the state for slaughter. Assuming a cost of \$80 per certificate, the proposed rule will result in an estimated cost of \$400 per year to persons moving cervids into the state for slaughter.

The cost of identifying cervids with an ear tag and another method of identification will vary depending on the identification methods chosen by the farmer. Identification of captive cervids is the standard for the cervid industry so most animals will already bear identification. Ear tags that satisfy the identification requirement are widely available and range in cost from less than one dollar each to approximately \$3 each. Other costs associated with identifying animals will vary with the specific animals and may include the need to tranquilize animals to apply the identification. The BOAH calculates the cost to identify one animal will range from \$1 to \$80 depending on the circumstances. The BOAH records indicate 111 cervids were moved into the state for slaughter in 2011. The BOAH estimates that the total cost to identify slaughter animals to be less than \$10,000 annually.

The proposed rule establishes a requirement for a physical herd inventory every three years. [345 IAC 2-7-4\(b\)\(6\)](#). The rule permits the inventory to be accomplished by private veterinarians. This requirement will impose a cost on cervid owners that participate in the CWD certification program that is beyond the current requirements. However, most CWD certification program participants currently also participate in the voluntary tuberculosis testing program that requires testing most animals in the herd. The three-year CWD physical inventory

requirement will be satisfied in most cases during the tuberculosis test that is already occurring. For these herds there will be no additional cost because of the rule.

For herds that do not currently test for tuberculosis every three years, conducting a physical inventory may require hiring a private veterinarian to handle each animal in the herd to read and record identification of each animal. The cost of conducting such an inventory will vary depending on the size of the herd and the number of animals, if any, that must be tranquilized. The CWD certification program is a voluntary program and the cost of a physical inventory may be avoided by not participating in the certification program and participating in the monitored program that does not require a three-year physical inventory.

The proposed rule provides compliance options for the state veterinarian to utilize in instances where a participant in the CWD certification program does not collect samples for testing as required by the rule. [345 IAC 2-7-6](#). The penalties imposed for missing more than one sample in a 12 month period may include a monetary fine of \$250 per sample. Other penalties that may be imposed include lowering the CWD status of the herd and requiring additional sampling from the herd that would impose a cost on the herd owner. The BOAH does not know how many, if any, such penalties will be imposed because the penalties will only be imposed for repeated violations of the rule. The risk of paying the cost of a penalty may be avoided by complying with the program requirements. The CWD certification program is a voluntary program and the risk of paying a penalty may be avoided by not participating in the certification program and participating in the monitored program that does not require sampling.

The BOAH estimates that the total estimated impact (cost) of the proposed rule will be less than \$500,000.

## **5. Justification for Costs**

The proposed rule amends BOAH rules governing cervid health programs to conform to the new United States Department of Agriculture regulation governing CWD herd certification programs and interstate movement of cervids in 9 CFR Part 55, 9 CFR Part 81, and 77 Fed. Reg. 35565.

The requirement for a certificate of veterinary inspection and identification for slaughter animals moving into Indiana is necessary to align BOAH rules with the USDA interstate movement regulation.

The requirement for a physical inventory every three years is necessary to align BOAH rules with the USDA regulation.

The proposed penalties for not collecting samples when required is necessary to align BOAH rules with the USDA CWD regulation that requires a protocol to address missed samples.

## **6. Regulatory Flexibility Analysis**

The BOAH considered not participating in the USDA program for approving state CWD herd certification programs. However, USDA's regulation requires cervids moving interstate come from state programs that have been approved by USDA. 9 CFR Part 81. If the BOAH does not change the state CWD certification program, Indiana cervid owners will eventually be prohibited from moving their animals interstate. The BOAH determined that the existing state program nearly meets the USDA regulation and making appropriate changes would not impose substantial costs on the state or on the regulated entities. The BOAH decided that the benefits of aligning with the USDA regulation outweigh the costs.

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